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*Serving the consumer interest
by seeking to improve the
quality and effectiveness
of public utility regulation
in America.*

The Role of NARUC in Implementing DG Interconnection Agreements And Procedures

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WHAT IS NARUC?

- The National Association of Regulatory Utility Commissioners (NARUC) is a non-profit organization founded in 1889
- NARUC's members regulate the activities of telecommunications, energy, and water utilities
- NARUC's mission is to serve the public interest by improving the quality and effectiveness of public utility regulation
- NARUC's members have the obligation to ensure the establishment and maintenance of such energy utility services as may be required by the public convenience and necessity, and to ensure that such services are provided at rates and conditions that are just, reasonable and nondiscriminatory for all consumers



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UNIQUELY ABLE TO DEVELOP AND IMPLEMENT POLICY SOLUTIONS

- Only State regulatory organization representing 50 states (and DC)
- FERC, EPA, DOE also members
- Three meetings annually (outreach made easy)
- Technology neutral (see mission)
- Not a consultant (see members)
- A credible, honest broker in eyes of memberships



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EXAMPLES OF HOW NARUC CAN DEVELOP AND IMPLEMENT POLICY

- Uniform System of Accounts (Energy & Telecom)
- DG Interconnections Agreements and Procedures
- DOE/EPA Joint Efforts...



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NARUC DG INTERCONNECTION AGREEMENTS AND PROCEDURES

- **July, 2002** - NARUC Publishes Model IA and IP
- **July 31, 2002** - NARUC adopts *The Resolution Endorsing the Model Interconnection Agreement and Procedures*
- **August 16, 2002** –FERC issues Small Gen ANOPR
- **During FERC ANOPR Process** - NARUC members participated in a series of stakeholder meetings, consisting of the States, the Interconnection Providers, and the Small Generation Coalition
- **January 31, 2003** - NARUC files with FERC an amended Model Interconnection Agreement and Procedures: resolving outstanding technical and policy issues



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HIGHLIGHTS OF NARUC DG AGREEMENTS AND PROCEDURES

- Adopted by NARUC Resolution as Model for States
- One Process Rather Than Two (Size Matters!)
- Smaller/Simple Interconnections - Less than 30 Days
- Studies (if needed) are cost based
- All Lightbulbs Are ON!



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NARUC DG INTERCONNECTION MANUAL & TECHNICAL ASSISTANCE

- **Objective:** Provide States with assistance in developing harmonized/regionalized distributed generation (DG) interconnection agreements and procedures
- Create Regional Steering Committee
- Develop Training Manual for States (Based on NARUC Model)
- State-to-State Technical Assistance



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FEDS AND STATES RECOGNIZE THE IMPORTANCE OF WORKING THROUGH NARUC

- 13 Regulatory Focused Projects Funded in FY 04
- DG Interconnection Models, CI Cost Recovery Models, LNG Communication Plan Models, Model Incentives for Power Plant Upgrades, Natural Gas Toolkit, WMBE Energy Procurement Models, RE Outreach, Clean Coal Outreach, Carbon Sequestration Outreach, Clean Energy Coalition (NARUC as policy lead)



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GLOTFELY QUOTE:

[There is a need to move DG] technologies from the laboratory and into the “tool-kit” of electric system planners and operators. Some of the difficulties stem from problems in managing the risks associated with using new technologies, risks common to all industries. These technology transfer difficulties are exacerbated in the electric power sector by a regulatory framework that favors the status quo and does not typically reward managers for innovation, risk taking, or entrepreneurial activities. There is a need to work with State commissions to familiarize them with the new technologies and the extent to which their reliability has been demonstrated.



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CONCLUSIONS

- **The current environment is more challenging for regulators than ever before**
- **Member states participate, appreciate, and benefit from DOE/NREL/NARUC collaborations**
- **NARUC is the road to public utility regulators**